MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

BMK1014 – PRINCIPLES OF MARKETING

(All sections / Groups)

31 MAY 2017
2:30 PM – 4:30 PM
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **EIGHT (8)** printed pages (excluding cover page) with:
   Section A: Forty (40) multiple choice questions (40 marks)
   Section B: Three (3) structured questions (60marks)

2. Answer **ALL** questions.

3. Answer **Section A** in the multiple-choice answer sheet provided and **Section B** in the answer booklet provided.

4. Marks allocations are shown at the end of each question.

SECTION A : ANSWER ALL QUESTIONS (40 MARKS)

1) The new product development process usually starts with _____.
A) idea screening
B) idea generation
C) concept development
D) concept testing
E) market strategy development

2) Which statement is most likely true about idea generation in the new product development process?
A) Idea generation is most effective when it occurs after idea screening.
B) Most companies set a limit for the number of ideas generated to simplify the process.
C) Intrapreneurial programs enable customers to contribute to the idea generation process.
D) Idea generation is usually followed by procedures that reduce the total number of ideas.
E) A company can either develop ideas through internal or external sources but not through both.

3) In the _____ stage of new product development, products undergo rigorous tests to make sure that they perform safely and effectively, or that consumers will find value in them.
A) business analysis
B) idea generation
C) concept screening
D) product development
E) test marketing

4) An innovation management system would most likely be used by _____.
A) managers to update details about customer information
B) brand managers to collect, review, and evaluate new product ideas
C) suppliers to access inventory information
D) product managers to track logistics of a new product
E) human resource managers to update information on employee incentives

5) The team-based new product development approach saves times and increases effectiveness because departments work closely together in _____.
A) divisional teams
B) problem-solving teams
C) self-managed groups
D) cross-functional teams
E) independent groups

6) Which of the following sets the upper limit for a product's pricing?
A) profits
B) product costs
C) consumer perceptions of value
D) elements of the product mix
E) competition

7) A _____ pricing strategy for an offering begins with an assessment of customer needs and perceptions. Then a target price is set based on customer perceptions of worth.
A) cost-based
B) target costing
C) value-based
D) value-added
E) competition-based

8) Under _____, the market consists of many buyers and sellers trading over a range of prices rather than a single market price.
A) pure competition
B) monopolistic competition
C) oligopolistic competition
D) a pure monopoly
E) a pure monopsony

9) Which of the following is an economic factor that affects the pricing decisions of a company?
A) market-penetration practices
B) top management decisions
C) promotional activities
D) reseller policies
E) interest rates

10) _____ pricing is when a firm tries to determine the price at which it will break even or earn the profit it is seeking.
A) Competition-based
B) Target return
C) Cost-plus
D) Good-value
E) Value-added

11) In a promotion mix, _____ performs the functions of building a good rapport with entities outside the company, building up a good corporate image, and handling unfavorable rumors and events.
A) personal selling
B) sales promotion
C) direct marketing
D) advertising
E) public relations

12) Which of the following is a function of an integrated marketing communications system?
A) designing products using environmentally friendly techniques
B) allowing suppliers or vendors to manage the inventory of products
C) controlling production levels by feedback received from customers
D) delivering a clear, consistent, and compelling message on the product to each brand contact
E) sharing company forecasting details with shareholders

13) Which of the following is most likely a difference between advertising and sales promotion?
A) Advertising is a sales-directed form of communication, while sales promotions are endorsed as company news.
B) Advertising can be used to build up a long-term image for a product while sales promotion effects can be short lived.
C) Advertising can be used to dramatize product offers, but sales promotion cannot be used for this purpose.
D) Advertising can trigger quick sales, while sales promotions cannot.
E) Advertising is not as effective in building long-term brand preferences as sales promotions.

14) The primary objective of _____ advertising is to build selective demand.
A) reminder
B) classified
C) personal
D) informative
E) persuasive

15) Which method of setting advertising budgets best helps management think about the relationship between promotion spending, selling price, and profit per unit?
A) adaptive-control method
B) objective-and-task method
C) competitive-parity method
D) affordable method
E) percentage-of-sales method

16) The concept of _____ lends even more importance to the salesperson's customer-relationship-building abilities.
A) sales-force territory
B) sales promotion
C) sales-force management
D) salesperson-owned loyalty
E) sales-force structure

17) If a company assigns individual teams of salespeople to big retail customers, it most likely has a(n) _____ sales-force structure.
A) undifferentiated
B) product
C) market
D) territorial
E) demographic

18) Sales managers use a _____ that shows which customers and prospects to pursue and which activities to carry out.
A) call plan
B) sales quota
C) sales contest
D) bonus plan
E) straight commission

19) How have social media tools most likely affected personal selling?
A) reducing the use of person-to-person selling efforts
B) increasing the costs of selling products and services
C) changing the basic fundamentals of interpersonal selling
D) increasing the number of product reports given to customers
E) slowing the sales-force response rate to customers' problems

20) In which step of the selling process does a salesperson set call objectives?
A) preapproach
B) approach
C) presentation
D) qualifying
E) prospecting

21) The second part of a marketing strategy statement describes the _____ of a new product.
A) marketing mix strategy
B) profit and sales goals
C) planned price, distribution, and marketing budget
D) target market and sales goals
E) planned value proposition

22) If a product passes both the concept test and the product test, the next step is most likely to be _____.
A) marketing strategy development
B) product development
C) test marketing
D) business analysis
E) concept development

23) _____ can describe a product class, a product form, or a brand.
A) The product development process
B) The product life cycle concept
C) Business analysis theory
D) Vendor analysis theory
E) Portfolio analysis

24) _____ is the only element in the marketing mix that produces revenue.
A) Price
B) Place
C) Promotion
D) Product
E) Profit

25) When establishing prices, it's important for a manager to understand that "good value" is not the same as _____.
A) "low price"
B) "high price"
C) "bargain basement"
D) "perceived value"
E) "everyday value"

26) _____ costs refer to the sum of the fixed and variable costs for any given level of production.
A) Target
B) Marginal
C) Value-based
D) Total
E) Break-even

27) In a marketing communications mix, _____ refers to any short-term incentive that encourages the purchase or sale of a product or service.
A) advertising
B) sales promotion
C) personal selling
D) crowdsourcing
E) public relations

28) In a promotion mix, _____ performs the functions of building a good rapport with entities outside the company, building up a good corporate image, and handling unfavorable rumors and events.
A) personal selling
B) sales promotion
C) direct marketing
D) advertising
E) public relations

29) Which of the following is true of marketing strategies that are being developed in the new marketing communications model?
A) They are more targeted, social, and engaging.
B) They target much larger customer segments.
C) They rely more on mass-media marketing techniques.
D) They use very little alternative media.
E) They include a greater number of print media ads.

30) Which of the following statements is true of salespeople?
A) They do not work with wholesalers and retailers.
B) They are employed mostly in click-only companies.
C) They do not represent the customers to the company.
D) They represent a company to its customers by communicating and selling.
E) They represent a new class of professionals who have emerged as part of the steep rise in retailing.

31) Which of the following statements is true of a product sales-force structure?
A) A product sales-force structure is characterized by specialization along product lines.
B) A product sales-force structure is used when a company has only one product line.
C) A product sales-force structure requires every salesperson to be an expert in all the product categories of the company.
D) A product sales-force structure organizes the sales force along customer or industry lines.
E) A product sales-force structure uses a single sales force across different product lines.

32) Which of the following is a characteristic of an inside sales force?
A) It travels to make sales calls on customers in the field.
B) It receives administrative backup from outside sales forces.
C) It cannot sell or service accounts directly.
D) It eliminates the need to have an outside sales force.
E) It conducts business from an office via telephone.

33) _____ marketing involve engaging directly with carefully targeted individual consumers and customer communities to both obtain an immediate response and build lasting customer relationships.
A) Undifferentiated and differentiated
B) Mass and targeted
C) Direct and digital
D) Internal and external
E) Standardized and customized

34) Which of the following statements is most likely true about direct and digital marketing?
A) They are used to sell goods to an undifferentiated market segment.
B) They are inconvenient and lengthen the process for most buyers.
C) They remain unaffected by the rapid growth of technologies.
D) They build customer engagement and constitute a complete model for doing business.
E) They are rarely used by companies as supplementary channels.

35) Which of the following are the fastest-growing forms of marketing?
A) direct and digital
B) undifferentiated and differentiated
C) internal and external
D) mass and targeted
E) standardized and customized

36) The growth of the Internet caused many traditional companies to _____ in response to customer demands and a changing marketplace.
A) use traditional direct marketing forms
B) adopt direct-mail marketing
C) use omni-channel retailing
D) develop retail transaction sites
E) expand their outside sales forces

37) For most companies, the first step in conducting online marketing is to _____.
A) place an ad online
B) send e-mails
C) create a Web site
D) create a social networking site
E) place search-related ads

38) Posting digital content on brand Web sites or on social media sites such as YouTube, Facebook, Vine, and others are forms of _____ marketing.
A) corporate intranet
B) online video
C) viral blog
D) media portal
E) digital kiosk

39) Which of the following is true of viral marketing?
A) It is the digital version of word-of-mouth marketing.
B) It refers to online marketing problems caused by technical glitches.
C) It is another term for the unethical invasion of online privacy.
D) It is an automated system that manages digital sales and marketing functions.
E) It is a system that allows a supplier to access a customer's inventory levels online.

40) _____ marketing features marketing messages, promotions, and other content delivered to on-the-go consumers through their portable electronic devices.
A) Direct-mail
B) Mobile
C) Mass
D) Viral
E) Kiosk

SECTION B: ANSWER ALL QUESTIONS (60 MARKS)

QUESTION 1
Explain the major benefits of direct and digital marketing for both customers and sellers.

(20 Marks)

QUESTION 2
What are the four elements of salesperson compensation? Give an example to show how these elements motivate salespeople in different situations.

(20 Marks)

QUESTION 3
Briefly describe the maturity stage of the product life cycle.

(20 Marks)

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